

**Interstate Pest Control Compact and Pest Control Insurance Fund
2003 Annual Meeting of the Governing Board
Saturday, September 20, 2003
The Grove Hotel, Boise, Idaho
12:30 to 1:30 p.m.**

Attendees:

Member States Present (18):

Arizona	– Donald Butler
Arkansas	– Darryl Little
California	– Dennis Mayhew (CDFA staff) – Sharlene Garcia (CDFA staff)
Florida	– Martha Roberts (FDACS staff) – Leslie Palmer (FDACS staff)
Georgia	– Tommy Irvin
Maine	– Robert Spear (IPCC Chairman and Executive Committee)
Minnesota	– Sharon Clark (MDA staff)
New Hampshire	– Stephen Taylor
New Jersey	– Charles Kuperus – Jayne Haussler (NJDA staff)
New York	– Tim Pezzolesi (NYSDAM staff)
North Carolina	– David McLeod (NCDA staff)
Ohio	– Fred Dailey (IPCC Executive Committee)
Puerto Rico	– Nelson Bayron (PRDA staff)
South Carolina	– Charles Sharpe – Larry Boyleston (SCDA staff)
Texas	– Kimberly Kapavik (TDA staff)
Vermont	– Louise Calderwood (VAAFM staff)
West Virginia	– Gus Douglass (IPCC Executive Committee) – Steve Hannah (WVDA staff)
Wyoming	– Roy Reichenbach (WDA staff)

Non-members present:

Kentucky	- Billy Ray Smith
Mississippi	- Mike Taggart (MDAC staff)
Missouri	- Peter Hofherr - Dave Dillon ((MDA staff)

Call to Order

Chairman Spear called the meeting of the Governing Board of the Interstate Pest Control Insurance Fund to order at 12:35 p.m.

Roll Call of Member States

Executive Director, Bob Balaam took role call, declaring the following 18 member states present: Arizona, Arkansas, California, Florida, Georgia, Maine, Minnesota, New Hampshire,

New Jersey, New York, North Carolina, Ohio, Puerto Rico, South Carolina, Texas, Vermont, West Virginia, and Wyoming.

The following 16 member states were absent: Colorado, Delaware, Illinois, Kansas, Maryland, Michigan, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, Virginia, and Washington.

Approval of Meeting Minutes

Chairman Spear called for an approval of the February 1, 2003 meeting minutes. It was moved by Charles Sharpe, South Carolina to accept the minutes and seconded by Gus Douglass, West Virginia. Motion passed with a majority vote.

Report of the Chairman

Chairman Spear mentioned that Bob Balaam has been brought on as the Executive Director and has been doing a great job. Finances are good and the portfolio is being managed in Virginia. He said that operating expenses have increased due to new initiatives including, a web site, membership booklets and research projects. He finished with a new challenge facing the Compact, bringing on new membership.

Report of the Treasurer

Carlton Courter was unable to attend, so Bob Balaam gave the treasurer's report in his place.

Highlights from Fiscal Year 2003:

- Total assets available at June 30, 2003 were \$1,079,512. An increase of \$74,114 over the June 30, 2002, balance of \$1,005,398. This increase was the result in the return of \$66,000 from New York for a prior claim.
- Income on investments totaled \$15,059. There were no investment fees or expenses. The Average Yield for the year was 1.50%. Investment income covers all administrative and operating costs (\$13,492) for the year.
- Quote from the Local Government Investment Pool (LGIP – where IPCC funds are invested) newsletter, "Short-term interest rates are now at levels that most of us have never witnessed and did not think possible. As long as the Fed's bias continues to be focused on concerns of a disinflationary environment, interest rates will persist at historic low levels."

- Investment Risk: The Virginia Local Government Investment Pool, in which IPCC funds are invested, follows guidelines that permit only high quality corporate investments. The IPCC investment is diversified in the following way:

U.S. Treasury / Agency	16%
Repurchase Agreements	16%
Negotiable CDs & BAs	24%
Non-Negotiable CDs	0%
Commercial Paper *	32%
Corporate & Bank Notes *	12%
Total:	100%

* Commercial Paper is restricted to a maximum of 35% and Corporate & Bank Notes to a maximum of 25% of the entire investment pool by law. This minimizes the risk to the IPCC while attempting to maximize gains.

- Membership dues totaling \$6,346 were received from the states of Arkansas, Colorado, and Rhode Island. Down \$18,100 from the last year.
- Operating expenses increased over last year as the result of new initiatives by the Executive Director (Web Page, Long Range Planning, etc.).

Financial reports were reviewed and a motion to accept the report was made by Gus Douglass, West Virginia, and Daryl Little, Arkansas, seconded it. Motion passed with a majority vote.

Report of the Executive Director

Bob Balaam gave a PowerPoint presentation highlighting important Interstate Pest Control Compact and Pest Control Insurance Fund issues and activities of 2003. These included:

- Currently 34 members, no new members have joined this year
- No new insurance fund claims or projects this year
- IPCC website has been created and is up and running
- Membership booklet has been revised
- APHIS PPQ emergency program funding assistance option approved
- Ohio Sunset Review Committee testimony was requested and scheduled
- History of insurance fund projects was presented
- 2002 Annual Report was mailed to all members
- Draft 2003 Annual Report was distributed at this meeting for review
- Legislative and bylaws issues and concerns affecting Compact and Insurance Fund membership were discussed

Balaam made the following recommendations:

- The two requirements for joining the Compact (i.e. passing enabling legislation and contributing to the Pest Control Insurance Fund) should be specifically stated in the bylaws.

- Clarification that the membership fee is a one-time appropriation, unless the Fund is depleted through use, should be reiterated in the bylaws.
- Clarification that the Pest Control Insurance Fund should not be depleted below the \$1M level to ensure that there are ample funds available that would not require member states to reappropriate dollars into the insurance fund should be reiterated in the bylaws.
- Consideration should be given to Executive Committee membership based on the geographical groupings of the regional plant boards, which are grouped by regional plant pest issues, rather than the regional groupings of NASDA.

A motion was made by Tommy Irvin, Georgia, to direct the Executive Director to propose these recommendations as formal changes to the bylaws and bring them back for review at the 2004 mid-year meeting for discussion. Charles Shape, South Carolina, seconded the motion. Motion passed with a majority vote.

A motion was made to direct the Executive Director to pursue additional funding through contributions/donations from foundations and industries by Gus Douglass, West Virginia. The motion was seconded by Tommy Irvin, Georgia, and passed with a majority vote.

Budget Approval

Bob Balaam proposed an increased budget for FY 2003-2004. Total budget increased from \$16,900 in FY 2002-2003 to \$22,500 for FY 2003-2004. \$5,000 increase in the Executive Director Wages line item is due to a planned increase in time spent on Compact issues.

The proposed FY 2003-2004 budget was as follows:

Budget Line Item		Budget (\$) 2003-2004
Personnel:		
	Executive Director Wages	15,000
	Travel and Registration	4,000
	Bond	100
Facilities and Administrative Costs:		
	Overhead	2,000
	Equipment	0
	Supplies	0
	Postage	200
	Printing	400
	Bank Charges	200
Contractual Services:		
	Audit	100
Special Purpose :		
	Technical Advisory Committee	500
	Special Committee	0
TOTAL		22,500

A motion to approve the budget was made by Tommy Irvin, Georgia, and was seconded by Gus Douglass, West Virginia. Motion passed with a majority vote.

Unfinished Business

There was no unfinished business brought before the delegation.

Election of Officers and Executive Committee for 2003-2004

Tommy Irvin, Georgia, moved to elect **Charles Sharpe, South Carolina as Chairman** for the upcoming year. Charles Sharpe, South Carolina, seconded and the motion passed with a majority vote.

Tommy Irvin, Georgia, moved to elect **Charles Kuperus, New Jersey as Vice Chairman**. The motion was seconded and passed with a majority vote.

Tommy Irvin, Georgia moved to elect **Bill Lyons, California as Secretary**. Charles Kuperus, New Jersey, seconded, motion passed with a majority vote.

Gus Douglass, West Virginia moved the office of **Treasurer** remain the same with **Carlton Courter, Virginia**. The motion was seconded by Charles Sharpe, South Carolina, and passed with a majority vote.

The Officers of the Interstate Pest Control Insurance Fund for FY 2003-2004 are as follows:

Chairman	Charles Sharpe, South Carolina
Vice Chairman	Charles Kuperus, New Jersey
Secretary	William Lyons, California
Treasurer	Carlton Courter, Virginia

In compliance with the bylaws, Chairman Charles Sharpe also serves as chairman of the Executive Committee. Charles Kuperus, New Jersey, moved the regional representatives from 2002-2003 remain the same for 2003-2004; Charles Sharpe, South Carolina, seconded. The motion passed with a majority vote. The elected executive committee for FY 2003-2004 is as follows:

Chairman	Charles Sharpe, South Carolina
Midwestern Region	Fred Dailey, Ohio
Northeastern Region	Michael Scuse, Delaware
Southern Region	Gus Douglass, West Virginia
Western Region	Bill Lyons, California

New Business

No new business was brought before the delegation.

Adjourn

Chairman Spear adjourned the meeting at 1:30 p.m.

Assistance with minutes provided by Sharlene Garcia, Policy Analyst, CDFA.